



**General Certificate of Secondary Education
June 2012**

Business Studies

413002

(Specification 4133)

Unit 2: Growing as a Business

Report on the Examination

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General Comments

The paper proved marginally more challenging this year and this was reflected in a slight lowering of the mean mark from the 2011 Unit 2 paper. The three case studies proved accessible to students of all abilities, allowing them to demonstrate their knowledge and skills in the subject. As has become established practice, the questions become more demanding as the students work their way through the paper. Question 3 proved difficult for a number of students, particularly those who appear to have not covered the concepts covered in the question.

There was little evidence of students running out of time, but a large number of students seem to think that it is necessary to use the 'extra space' portion of the answer booklet, and even supplementary stationery, in order to achieve a high mark when this is not the case. Examiners are looking for reasonable evidence of each of the three Assessment Objectives as appropriate to the question. There is no need for students to repeat and overwork these skills to access the highest marks.

Students continue to disadvantage themselves by one, or more, of the errors outlined below:

- a declining, but still significant, number of students continue to write definitions to start their longer answers. This is not necessary and wastes valuable time, particularly when more than one business term appears in the question
- a common reason for not scoring well occurs when students fail to use the content of the case studies to inform and support their responses. The case studies intentionally contain items of information designed to provide students with enough relevant detail to tailor their answers towards that particular business. Without referring to this information, students are merely producing general responses which fail to attract the highest marks for the question
- there was evidence in the paper of students not reading the question carefully enough to ensure they answer it in the way that it is worded. Instead, they pick up the key theory term and reproduce what they have revised on the topic, rather than addressing the question that was set
- not all students made a clear recommendation or judgement as required in the part (d) questions, thereby seriously restricting the mark available for evaluation. Centres are also reminded that there is no need to consider both alternatives (when these are offered) to gain analysis marks. As long as a balanced argument is provided that explores the merits and demerits of one solution in relation to the case study business, this is enough to access the highest marks.

Question One

- (a) Most students were able to score at least one mark in defining off the job training, with the majority obtaining the maximum 2 marks.
- (b) Students were able to identify a range of acceptable reasons for using a specialist training centre. Most were able to relate these reasons to the *FAST* scenario, such as the availability of up-to-date fire fighting equipment or a safe environment to practise putting out fires, which provided the context to access Level 2 marks. It came as a surprise, however, that a number of students believed that in-house training involved going to someone's house to be trained, especially as the term appears in the specification.
- (c) Some students misunderstood the question and described how feedback might be obtained rather than how it could be used. Those who read the question correctly and responded by picking up the identified weaknesses of the courses in the case study usually found it straightforward to gain maximum marks.
- (d) This evaluative question considered how *FAST* might introduce quality assurance methods. Many identified the shortcomings of using trainers' reports as there was the likelihood of bias in them. Some students became bogged down by the difference between trainers and trainees, despite the question just mentioning trainers in an attempt to avoid this confusion. Many students were able to produce reasoned arguments on one or both strategies and produce responses that generally earned higher marks than they received for the 2(d) and 3(d) questions on the paper.

Question Two

- (a) This question asked for an advantage to the business of selling exclusively on the internet and was generally well answered. Some students, however, misread the question and answered from the point of view of customers. Others gave spurious responses along the lines of 'PP Ltd could charge a lot for postage to get more money'.
- (b) Many students failed to score well on this question because they concentrated their answers on why modern computer technology no longer needs mouse mats. Many described in detail modern computer mice and touch pad technology without relating this to the fall in demand for mouse mats used as promotional freebies. Another common error was to state that the fall in demand was the result of the items reaching the decline phase of the product life cycle, demonstrating a lack of understanding of this concept. Those who considered the lowering of appeal of these mats to recipients, the old-fashioned image it would convey of the business giving them away and even the attractiveness of alternative freebies scored far better.
- (c) Most students were aware of product life cycles and extension strategies. Having identified the topic, however, many went on to produce generic, descriptive responses on the life cycle, when this was not necessary to answer the question. A common mistake was for students to write in depth about several extension strategies without properly considering the appropriateness for the products in question. To gain Level 2 marks, students needed to mention how the strategy would apply to the mouse mats or a similar bulk-sales product sold by the business. Unfortunately, many students failed to make this link clear and made inappropriate suggestions, such as give them away with new computers, effectively missing the point on how the business operates.

- (d) Students were able to write extensively about whether *PP Ltd* should move to China or remain in the UK. Most students considered the cost advantages of one or both locations and were able to produce a logical argument. More able students went on to look at other non-monetary costs of the move to China. Ethical considerations of using a low-waged workforce and the disruptive effects on key managers moving abroad were two case in points. As with other nine mark evaluative questions, a large proportion of the students found it hard to offer more than limited support for their judgement. A common approach for many students was to say that they would go to China (or remain in the UK) because it was cheaper/easier etc, without qualifying this judgement. If students are to be awarded the E2 marks, they need to ensure that the justification for their choice is clearly supported.

Question Three

- (a) It was disappointing that such a large proportion of students were unable to define adequately a current asset. A number tried to disguise their lack of knowledge by offering definitions such as ‘this is an asset that is currently used’, for which they were not rewarded.
- (b)(i) Most students were able to perform the calculation and gain both marks.
- (b)(ii) Simple answers pointed out that the current ratio had fallen, without explaining how this affected the business. Better answers identified the potential liquidity/cash flow problem and suggested what *Imber Showers* might have to do to resolve the issue. A substantial number of students incorrectly thought that the business must be less profitable because the liquidity ratio had fallen.
- (c) This question was generally well answered with students able to identify both an advantage and a disadvantage of flow production. A number of students found it more demanding, however, to explain these points beyond the superficial. A good range of acceptable answers were seen, with improvements in efficiency being a popular advantage and monotonous work for employees used frequently as a disadvantage.
- (d) It was clear that a sizeable number of the students had not come across the term ‘just in time (JIT) stock control’ before. Some struggled to write about the topic other than to say, often in circuitous ways, that it was a method of lowering costs, something they appeared to have discerned from the question. Others interpreted JIT stock control as JIT manufacturing. Such interpretations allowed the students to gain marks as many of the principles were the same. However, the students using this interpretation were disadvantaged as they usually found it difficult to draw upon the evidence in the case study – the fact that *Imber Showers* regularly changed its suppliers – to provide clear context to support their arguments.

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